

## **General Services Customer Council Meeting**

January 6, 2006

### **Members Present**

Charlie Smithson, Ethics & Campaign Disclosure; John Baldwin, Corrections; Major Darrel Cox, Public Safety; Jennifer St. John, DNR; Marcia Spangler, Public Health; Mary Jane Olney, Agriculture & Land Stewardship; Greg Anliker, Elder Affairs; Peggy Sullivan, Judicial; Bob Straker, AFSCME; Cindy Morton, Revenue; Margaret Thomson, Legislature; John Connors, Member of Public; Paul Carlson, GSE.

### **Members Absent**

Jim Chrisinger, DOM - Excused

### **Others Present**

Debbie O'Leary, DAS/GSE; Dale Schroeder, DAS/GSE; Tim Ryburn, DAS/GSE; Dean Ibsen, DAS/GSE; Nancy Williams, DAS/GSE; Julie Sterk, DAS; Patricia Lantz, DAS; Mark Willemssen, Legislature; Paula Newbrough, DAS/GSE; Laura Riordan, DAS; Mark Johnson, DAS; Pat Mullenbach, DAS; Paula Hutton, Public Defense; Miki Clark, DHS; Mike Adams, DHR; Barbara Bendon, DAS/GSE; Marvin VanHaaften, ODCP; Walter Reed, DHR. DAS/GSE Purchasing: Sharon Downey, David Kaili, Jeanette Chupp, Nola Penland; Randy Stapp, Ashley Super, Lois Schmitz, Barbara Sullivan, Doug Reed.

### **Call to Order**

Meeting called to order by Chairperson Charlie Smithson at 8:00 a.m.

### **Roll Call**

Member Roll Call taken by Secretary Nancy Williams.

### **Election of Officers (Rule 11-10.6(3))**

Greg Anliker moved to retain Charlie Smithson as GSE Customer Council Chairman. Mary Jane Olney seconded the motion. Roll call vote taken. Charlie Smithson abstained from voting. John Baldwin & Jim Chrisinger not present for vote. Motion passed.

Marcia Spangler moved to retain John Baldwin as GSE Customer Council Chairman. Mary Jane Olney seconded the motion. Roll call vote taken. John Baldwin and Jim Chrisinger not present for the vote. Motion passed.

### **Approve Minutes (9-15-06)**

Greg Anliker moved to approve the minutes as written. Cindy Morton seconded the motion. Motion passed.

### **Announcements**

Former Representative John Connors was introduced to the membership as the new Public Member for the General Services Enterprise.

## **Administrators Items of Interest**

### *Debbie O'Leary – Service Delivery*

Ms. O'Leary discussed various new contracts entered into over the past few months, discussing specifically the Vehicle Contracts, Hotel and Motel Pricing, Grainger Contract and Software Spectrum. (Hand-out distributed)

Member Marcia Spangler noted her division has been turned away at some hotels, specifically Heartland, noting they set aside only a small number of rooms at this special rate. Ms. O'Leary asked to be notified immediately of any problems experienced by departments so this can be addressed immediately.

Chairman Smithson asked how everyone is being notified of these special rates. Ms. O'Leary noted Pat Deluhery has been meeting with a number of cities and counties and has been providing this information. We are also submitting an article to the League of Cities and the Association of Counties to see if this can become a part of their newsletter. GSE staff are having verbal and electronic notifications to others and this is also on the DAS/GSE website.

Software Spectrum is offered to State Agencies. GSE is receiving better prices based on the volume of purchases and we have added a rebate. When cities and counties purchase, GSE receives a rebate for those purchases.

### *Dale Schroeder – Fleet & Mail*

Last Spring Governor Vilsack signed Executive Order 41, which was primarily designed to increase the energy efficiency. The directive was to increase the use of alternative fuel vehicles, specific electric hybrids, E85 and soy diesel powered vehicles. DAS/GSE has been a leader since 1991. GSE currently has over 600 E85 vehicles in the fleet. E85 is a fuel blend of 85% corn based ethanol and 15% gasoline. The fuel is burned in vehicles, which are called "flex fueled vehicles" They can operate on any combination of up to 85% ethanol. Today, you can put E85 in and the next day you could put in E10, the vehicles computer adjusts itself and works quite well on any combination of ethanol and gasoline.

One of the frustrations we have had in Iowa has been the ability to obtain the E85 fuel. We have grown from three or four outlets in the early 1990's to 26 outlets today. The number of outlets is growing every day. The DAS/GSE Fleet website, we update a map of the state with a listing of all of the E85 sites. (Current map distributed). If you have an E85 vehicle, you are mandated to use E85 fuel when it is conveniently available for you.

### *Dean Ibsen – Design & Construction*

Design & Construction just began working on the new State Veterans Cemetery. The Department of Veterans Affairs received an appropriation of \$500,000 from the Legislature in anticipation of a grant from the Federal Department of Veterans Affairs to build a new cemetery. Approximately 100 acres of land has been

donated to the State located at the Van Meter, Iowa exit on I-80 West (SE Corner of that intersection up on a hill). We have selected a consulting firm who are working with an architectural landscape architectural firm to help us work with Veterans Affairs, both State and Federal, in putting together a master plan and design development for this cemetery. There is a Federal Veterans Cemetery in Keokuk, Iowa; this will be the first State Veterans Cemetery in Iowa. The Federal Veterans Affairs has a program for veteran's cemeteries, they have design guidelines, requirements, etc., and we are working closely with them and with our consultants to meet those requirements. We hope construction will begin in 2007. We expect the construction to be in the range of \$5 to \$7 million dollars.

#### *Tim Ryburn – Capitol Complex Maintenance*

CCM holds a quarterly building facility coordinator meeting in each building to talk about issues impacting them in their area. We have revamped the process to make it more "result oriented". We have gone to an "Action Item" list with target completion dates. We have been using this format through out the summer with great results. Meetings previously had been taking 1 to 1-1/2 hours and are now taking much less time, in fact one facility meeting this week took just ten minutes! Previously we had been having up to 20+ action items, yesterday at a meeting we walked away with three action items, two of those were resolved the same day.

Ankeny Laboratories water problems in December impacted Mary Jane Olney's area. We have been very active in working with Mary Jane's agency and the occupants to make sure the area is cleaned up and restored to an operational condition. We are working with Design and Construction, the contractors and agencies so the area will be operating in the way it was intended to be. Mary Jane Olney stated she was at the Ankeny Labs last week noting she is very pleased with DAS/GSE and the way the clean up has been handled.

*Elder Affairs move to the Jessie Parker Building* (Suite 2, Second floor of the East Wing) – Greg Anliker noted they had great success in the move thanks to the Design & Construction/Space Management team. Greg noted they went from \$15.00/sq. ft. lease to our utility rate of under \$4.00/sq. ft. This is a good deal for the taxpayer! Greg noted, "We are very happy customers".

#### **Utility Rate Review/Other Items of Interest**

Paul Carlson noted late last summer when GSE set the FY'07 rates, GSE agreed after six months to review our rate structure, analyze our budgets and make a determination regarding whether we could make rate adjustments for the balance of a particular fiscal year. At the February 2006 meeting, GSE will be coming back to the GSE Customer Council with some recommendations for rate reductions for the balance of the fiscal year. Currently, we have one area in particular we are ready to recommend, the Purchasing area.

Ms. O’Leary discussed reducing rates as a result of the rebates GSE has been able to negotiate with vendors. Most of the rebates GSE receives are from purchases by political subdivisions made from state contracts. GSE has a computer contract with about three-fourths of the purchases from political subdivisions. This did not affect their pricing; the computer companies provide rebates based on the purchases of political subdivisions.

Ms. O’Leary stated GSE Purchasing can reduce rates now, instead of waiting until the end of the fiscal year. Ms. O’Leary proposed for the six months (January thru June), the last six months of the fiscal year, purchasing rates be reduced by 50% (the rates agencies are paying purchasing).

The GSE Purchasing Staff were introduced to the Customer Council, noting without their efforts negotiating contracts with vendors, really looking at what makes sense, where we could achieve these rebates, this would not be possible without their efforts. The total amount is about \$300,000 over the next six months.

Ms. O’Leary distributed a copy of the proposed letter to be sent to agencies. Greg Anliker stated this is “pretty impressive”! Peggy Sullivan – “very impressive”! Cindy Morton thanked the purchasing staff for all the work.

John Connors moved to approve the 50% reduction in the Purchasing portion of the purchasing utility fee for the rest of this fiscal year. Mary Jane Olney seconded the motion. Roll call vote – passed unanimously by members present.

Chairman Smithson thanked DAS for getting this done, noting this helps build up trust between DAS and the Council. Good job!

### **Subcommittee Reports**

#### *Design & Construction Fees*

Members of this subcommittee, Major Cox, Margaret Thomson and John Baldwin. Committee met with Paul Carlson & Dean Ibsen some time ago reviewing data. Vice Chair Baldwin stated the focus was on the proposed rates were for FY’07 and noted one of the big focuses of the group was “why are agencies paying for accounting twice”? It appears there is some accounting duplication. Vice Chair Baldwin stated the committee is going to look at what is charged to Design & Construction. Marcia Spangler questioned the Administrative Charges. Paul Carlson stated the formula is a “time-study based” decision. Chairman Smithson stated this subcommittee would continue.

#### *Market Issues and How It Might Affect Utility Rates*

Committee members – Mary Jane Olney, Charlie Smithson and Greg Anliker.

Sub-Committee Chair Greg Anliker distributed a handout noting the charge of this sub-committee was to get a better feel for how does GSE deals with market activities.

The question is, "Do the market activities always pay for themselves"? Paul Carlson stated marketplace activities are expected to be paying for themselves. GSE makes estimates before they get into an activity to come up with projected costs, noting they are not going to get into a marketplace activity unless they are pretty sure they can cover all costs plus. Marketplace activity surpluses are combined with utility balances and result in either holding the fee more stable or reducing the fees. Sub-committee stated they would like to see financial information about the market activities. Cindy Morton requested this same information for utility services, noting the GSE Customer Council has an obligation to track financials and how that might impact setting the rates. Please keep the reports simple.

Chairman Smithson stated the Council would like to see something more up-to-date than what has previously been received, something that would actually be useful. Greg Anliker stated information received prior was very complex, the Council members had to spend a lot of time to tie the pieces together.

Chairman Smithson formally dissolved this sub-committee.

*Language to Allow Agencies to Receive Rebate Money and Carry It Forward*

Chairman Smithson stated he will soon be meeting with the Chairman of the House Appropriations Committee and will put the issue of language to allow agencies to receive rebate money and carry it forward back on the table. Council will receive a report back in February.

*Office/Storage Rate Subcommittee*

(Chairman Smithson turned the chair over to Vice Chair Baldwin)

Charlie Smithson stated the issue in the subcommittee was the current association fee for office space fee versus storage fee rate and the 1,000 sq. ft. rule. (Sub-committee report distributed).

After lengthy discussion and presentation by Barbara Bendon, Charlie Smithson moved as the GSE Customer Council debates the FY'08 Association Fee, DAS will bring to the Council one rate for all square footage on Complex. Mary Jane Olney seconded the motion. Motion passed.

Paul Carlson raised the issue of asking for a waiver for FY '07 to go to the one rate charge. Item for discussion in February 2006.

Storage Rate Sub-Committee to be dissolved.

(Vice Chairman Baldwin returned the Chair to Charlie Smithson)

*Purchasing sub-committee*

Members Chrisinger, Spangler and St. John. Since Jim Chrisinger is not in attendance, topic deferred until February meeting.

## **Focus Groups**

Human Resource Enterprise Customer Council has done a Focus Group to bring agencies in based on size to discuss the HRE process. Cindy Morton was asked to be the GSE Customer Council Liaison and report back. Cindy discussed the results of this focus group.

Questions asked:

- 1) How satisfied are you with HRE utility services overall? What prompted your ranking
- 2) Of the utility services used, which do you feel works well? Why?
- 3) Of the utility services used, which ones do not work well?
- 4) Of the current utility services, which would you like to see enhanced, expanded and how would that improve your work?
- 5) Which of the utility services used would your department prefer to perform itself or be eliminated?
- 6) What new utility services would improve your performance?

What we wanted to portray to agencies is that if you want something new, you are going to have to pay for it. This is a utility. Is it worth what you have been getting, or if there is something you are doing yourself that you think you are paying HRE for then lets talk about that when we start looking at rates for FY '08. Forty-seven ideas were passed along to HRE. The Council has given back the responsibility to take a look at these ideas, categorize the top three and come back with recommendations on how those top three can be addressed. It was found a need to enhance communications, a concern about too many surveys.

The issue before the GSE Customer Council would be, "are we interested in a focus group"? If so, how would we want to structure that focus group and is there any interest in having a DAS oriented focus group versus each of the areas where there are utilities or market place. Bottom line, good information was obtained.

After discussion, it was recommended this topic be brought back to the GSE Customer Council for debate after the elections.

## **2006 Meeting Schedule**

Unless otherwise noted, all 2006 GSE Customer Council meetings will be:

Second Friday of each month

9:00am – 11:00am

Hoover – Level A – EMD Conference Room

(Exception – November when the 2<sup>nd</sup> Friday falls on a State Holiday – November meeting will be: November 17, 2006)

**Possible topics for next meeting**

- Concerns about Shared Services, i.e. Fixed Costs to GSE rates that the Customer Council does not have oversight over. GSE to prepare some numbers of what shared services, the fiscal impact on rates – fixed costs the council is not aware of.
- DPS/Corrections agenda item about actual rates versus what was budgeted. What agencies are being charged versus what they were told they would be charged?

**Adjournment**

Meeting adjourned at 10:00 a.m.

Respectfully submitted,

Nancy Williams, GSE